

**City of Decatur's
Owner-Occupied Housing
Rehabilitation Program**

**Contractor Qualification Manual
2023**



**NEIGHBORHOOD
REVITALIZATION DIVISION**

CITY OF DECATUR

1 Gary K. Anderson Plaza, Decatur, Illinois 62523

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Manual is subject to change without notification.

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I) **CONTRACTOR OVERVIEW**

In general, the city's Neighborhood Revitalization Department (NRD) attempts to correct a variety of housing deficiencies through specified rehabilitation activities. Before such activities can be undertaken in a professional manner, local rehabilitation contractors and skilled tradespeople must be identified and attracted to the city's program. In keeping with the city's desire to have such work performed expeditiously and to the highest quality standards possible, it shall be the city's policy to have all rehabilitation work undertaken by reliable contractors and subcontractors.

The City of Decatur's Neighborhood Revitalization Division maintains a list of qualified contractors. The three contractor categories we recognize for the Owner-Occupied Housing Rehabilitation Program are:

- 1) **Pre-qualified Contractor** = One who is eligible to perform contractor work per the general requirements given in this document on page 5, but may not have their Remodeling, Repair and Painting (RRP) certification.
- 2) **Qualified Contractor** = One who is Remodeling, Repair and Painting (RRP) certified, has fulfilled all of the general requirements given on page 5, and has successfully completed work for the city.
- 3) **Disqualified Contractor** = A disqualified contractor is a contractor who has failed to meet all the pre-qualification standards or who has failed to successfully complete a contract agreement through the City of Decatur. They have been temporarily or permanently denied participation in city projects due to one or more of the reasons listed on page 6.

To participate as a contractor in the Owner-Occupied Housing Rehabilitation Program bidding process, a contractor must:

- 1) Submit a completed Contractor's Certification Application Form which provides information regarding the company structure.
- 2) Provide the name of insurance carrier(s) for general liability, auto and workers' compensation coverage.
- 3) Provide work references.
- 4) Contractors must have an active Unique Identity ID (UEI) number. Contractors obtain this number at www.sam.gov by registering their business and should receive their number within 30 days of application. The contractor must be listed on the Sam.gov website with no issues.

II) PROGRAM OBJECTIVES

Some of the objectives of this program include:

- 1) To remove unhealthy or hazardous housing conditions in low- and moderate-income areas.
- 2) To use Owner-Occupied Housing Rehabilitation Program funds as a catalyst to encourage residents of low- and moderate-income neighborhoods to improve their homes and community.
- 3) To revitalize and preserve the existing housing stock.
- 4) To enable low- and moderate-income families to rehabilitate their homes.
- 5) To reduce utility costs of low- and moderate-income families by incorporating energy conservation systems into housing rehabilitation programs.
- 6) To preserve and increase the property values in low- and moderate-income neighborhoods.
- 7) To encourage employment and training opportunities for local and minority businesses through the opportunity to bid on housing rehabilitation programs.
- 8) To create sustainable mixed-income neighborhoods.

Eligible activities for the Owner-Occupied Rehabilitation Program include, but are not limited to:

- 1) Energy efficiency updates – Including siding, insulation, gutters & soffits.
- 2) Mechanical – HVAC.
- 3) Plumbing – Water Heaters.
- 4) Smoke and carbon monoxide detectors.
- 5) Windows and doors.
- 6) Roofs.

III) CONTRACTOR QUALIFICATIONS

In order to assist the recipient property owner, the city's Neighborhood Revitalization Division (NRD) shall establish and maintain a current list of rehabilitation contractors who are both prequalified and qualified to perform and are interested in performing rehabilitation activities under the provisions of the city's rehabilitation programs.

1) Prequalified Contractors

The following procedures will be used to establish a list of prequalified contractors:

- a. Completed Contractor Certification Application.
- b. Completed Employer Report Form for Equal Employment Opportunity purposes.
- c. Provision of proof of insurance to the limits required by the standard contract and agreement used by the Owner-Occupied Housing Rehabilitation Program or be able to secure such insurance and license as required by the state and/or city in this manual (see General Requirements, page 8).
- d. Capability of meeting a minimum construction standards inspection, which includes but is not limited to quality of workmanship, job site cleanliness, appropriate work attire, and site safety practices as determined by the NRD or the Economic and Community Development division's Assistant Director. The minimum standard inspections will be performed on both the ongoing project and the completed project as provided by the contractor.
- e. Must possess valid RRP Certification.
- f. Authorization permitting the city to verify all of the required information.
- g. Names and addresses of at least 2 customers for whom the contractor has performed housing or commercial rehabilitation work.
- h. Maintain good standings with all federal and state agencies and conduct consistent with public policy. This holds true for contractors and subcontractors alike.

Those rehabilitation contractors deemed by the city to provide the information previously described shall be placed on a list of **prequalified contractors**.

Special consideration may be extended to new, minority or female contractors who have limited rehabilitation experience. In an effort to give all contractors a reasonable opportunity to prove their reliability, all of the information provided will be gathered and

verified by the Housing Rehabilitation Specialist. Since such contractors have limited work or credit experience, they may be placed on the city's eligible list of rehabilitation contractors on a pre-qualified basis and may be given the opportunity to bid on projects. If all specified rehabilitation activities are completed properly and promptly in accordance with the city's work write-up (as amended), such contractors will be treated identically to any other qualified rehabilitation contractor.

2. Qualified Contractors

Qualified contractor status indicates that, to the best of Owner-Occupied Housing Rehabilitation Program staff's knowledge, the contractor has the technical competency and financial ability to successfully complete Owner-Occupied Housing Rehabilitation Program projects. Qualified contractor status indicates the contractor has successfully completed city project(s) and is a contractor in good standing. Qualified contractors must provide:

- a. Completed Contractor Certification Application.
- b. Completed Employer Report Form for Equal Employment Opportunity purposes.
- c. Provision of proof of insurance to the limits required by the standard contract and agreement used by the Owner-Occupied Housing Rehabilitation Program or be able to secure such insurance and license as required by the state and/or city in this manual (see General Requirements, page 8).
- d. Capability of meeting a minimum construction standards inspection, which includes but is not limited to quality of workmanship, job site cleanliness, appropriate work attire, and site safety practices as determined by the NRD or the Economic and Community Development division's Assistant Director. The minimum standard inspections will be performed on both the ongoing project and the completed project as provided by the contractor.
- e. Possess valid RRP Certification.
- f. Authorization permitting the city to verify all of the required information.
- g. Completed Subcontractor Information Form if necessary.
- h. Provide address and contact information for 1 current rehabilitation of greater value than \$25,000.00 and completed within the past 12 months.
- i. Demonstrate a history of securing permits as are required by local standards.

- j. Maintain good standings with all federal and state agencies and conduct consistent with public policy. This holds true for contractors and subcontractors alike.

3. Disqualified Contractors

Maintenance of the city's Owner-Occupied Housing Rehabilitation Program's Qualified Contractor List shall be the exclusive responsibility of the NRD's staff. Rehabilitation contractors may be denied participation in city projects by the city's staff on either a temporary or a permanent basis for one or more of the following reasons:

- a. Provision of false or misleading information.
- b. Inadequate construction experience or expertise.
- c. Poor references.
- d. Failure to meet federal requirements.
- e. Poor workmanship.
- f. Violation of contract start date or completion date.
- g. Misrepresentation of pay requests.
- h. Unapproved material substitution.
- i. Unreasonable/unexplained delays.
- j. Unsatisfactory work and unsatisfied complaints.
- k. Abuse of change order provisions.
- l. Failure to perform work in accordance with specification and contract period.
- m. Inability to secure or failure to maintain required insurance, bond, licenses or permits.
- n. Failure to comply with contract provisions.
- o. Failure to pay subcontractors.
- p. Failure to respond to justifiable complaints of recipient property owners concerning rehabilitation work performed.
- q. Disqualified by any federal or state agency, or any other city department.

- r. Insufficient financial resources to complete work.
- s. The contractor's financial insolvency, bankruptcy, or other condition which has resulted in a monetary loss to a property owner or the City of Decatur.
- t. Outstanding debt owed to the City of Decatur.
- u. Lack of proper/current lead documentation.
- v. Abandonment of a rehabilitation job or failure to complete specified rehabilitation activities within the specified period.
- w. Conviction of a criminal offense in connection with the rehabilitation work to be performed or associated with the payment of funds administered by the city's program staff.
- x. Any collusion between the homeowner, contractor, subcontractor, or others involving an effort to fix a bid or involving kickbacks or an effort to defraud any party in violation of local, state, or federal law.
- y. Unprofessional and/or unethical conduct or practices by the contractor, subcontractor, or their employees.
- z. Discrimination, racial or sexist statements, offering of bribes and/or kickbacks, or drugs/alcohol use on the job site.
- aa. Discrimination against or denial of employment to any person in the performance of any rehabilitation based on race, color, national origin, age, sex, handicap, belief, or political affiliation in violation of the Title V and VII of the Civil Rights Act and the Age Discrimination Employment Act. (29 USC 794).

The City of Decatur's Owner-Occupied Housing Rehabilitation Program staff's goal is to work with qualified and reputable contractors and subcontractors. Rules are established to disqualify those entities (contractors, subcontractors, etc.) who do not meet the requirements and/or responsibilities to the homeowner or the Owner-Occupied Housing Rehabilitation Program through the City of Decatur.

When such violations or failures have occurred with a contractor or subcontractor the following may occur:

- a. Temporary denial to bid on any projects.
- b. Suspension.
- c. Immediate exclusion from bidding projects based on evidence of wrongdoing.

The contractor will be notified prior to deletion from the list. He/she will have 10 days to appeal.

IV) GENERAL REQUIREMENTS

1. The contractor must not have current unpaid collections or open judgments with the City of Decatur.
2. The contractor must provide proof of adequate liability insurance and worker’s compensation in the form of a Certificate of Insurance, as described below in #3. The worker’s compensation insurance shall cover all employed persons engaged in work under the rehabilitation or construction contract to the full statutory limits stipulated in the Illinois Worker’s Compensation Act.
3. The minimum acceptable levels of coverage are as follows:

INSURANCE TYPE	MINIMUM LIABILITY AMOUNTS
Commercial General Liabilities	
General Aggregate Minimum Limit	\$2,000,000.00
Products-completed Operations Aggregate Minimum Limit	\$2,000,000.00
Each Occurrence Minimum Limit	\$1,000,000.00
Commercial Automobile Liability	
Bodily Injury & Property Damage Minimum Limit (Each Occurrence)	\$1,000,000.00
Lead Liability Insurance (Lead Contractors)	
Lead liability insurance minimum for lead abatement operations (Each Occurrence)	\$1,000,000.00

4. It shall be the contractor’s responsibility to provide or require similar insurance for each subcontractor. The contractor shall provide evidence that each subcontractor carries insurance in the amount shown prior to the time a contract is signed.
5. The contractor must obtain all required construction permits prior to starting work and must arrange for any required code inspections during the rehabilitation. Final inspections (mechanical, plumbing, electrical, and structural) must be completed by the time of a progress or final pay request.

6. The contractor must be in good standing with other local, state, and federal programs.
7. All workmanship must conform to the program's general specifications and all city codes and ordinances.
8. Contractor proposals are subject to rejection for noncompliance with any program requirements. Acceptance shall be at the discretion of the project staff.
9. The contractor shall not be permitted to "assign the contract" to another rehabilitation firm without the express written consent of the recipient property owner and the Owner-Occupied Housing Rehabilitation Program staff.
10. The contractor is ultimately responsible for the bid and its contents, which encompasses the entire project. This includes site familiarity, inspection and review of the write-up items, measurements, and quantities as well as those listed by all subcontractors within the bid document. The contractor is responsible for adhering to all RRP guidelines and ensuring that any/all subcontractors adhere to them as well.
11. After a mandatory walk-thru, bid proposals shall be submitted to the City of Decatur's Economic & Community Development department (Civic Center, 3rd floor) **on or before** the identified bid deadline. All bids shall be signed and sealed in an envelope. A bid opening will be held. Bids will be tabulated and reviewed for accuracy. Bids will be reviewed for responsiveness to the bid specifications, qualifications of the bidder, and performance history on other contracts held through the City of Decatur.

V) CONTRACTING PROCEDURES

This section sets forth the city's general requirements and procedures with respect to rehabilitation contracts for work to be performed under the city's Owner-Occupied Housing Rehabilitation Program. It shall be the city's policy that every rehabilitation project shall be undertaken only through a written contractual agreement between a contractor and the City of Decatur.

The rehabilitation contract shall consist of a single document signed by the contractor and accepted by the recipient property owner. The rehabilitation contract shall identify the specifications for the work to be performed in accordance with the Housing Rehabilitation Specialist's write-up (or as amended).

The NRD's program staff shall prepare, with the advice and consent of the city attorney, a set of provisions and general conditions for use in all rehabilitation contracts. A listing of the provisions to appear in the general conditions for such rehabilitation contract at a minimum shall include:

1. The initiation of any rehabilitation work covered by a contract is subject to the issuance of a Notice to Proceed signed by the contractor and the NRD's staff. The Notice to Proceed will be given after the 3-day Notice of Right to Cancel has expired, if not submitted by homeowner.
2. The contractor must begin the work specified within 10 calendar days after the issuance of a duly executed Notice to Proceed.
3. The contractor must satisfactorily complete the rehabilitation activities within a specified number of days after the issuance of a Notice to Proceed.
4. The contractor or subcontractors are responsible for obtaining all permits required to complete the work identified in the bid specification. Apply online at <https://decaturil.viewpointcloud.com>. All permits are required **prior** to the start of rehabilitation on the identified items. The Building Inspections Division should be contacted for related inspections on these items. The contractor or subcontractor may also schedule a consultation with the inspector (mechanical, plumbing, electrical, or structural) to determine what permits and inspections are required.
5. The City of Decatur will **not** advance funds for materials or unperformed or incomplete items in the work write-up. However, the City of Decatur has partnered with Land of Lincoln Credit Union to provide access to capital for contractors to purchase materials needed to perform rehabilitation projects, at an interest rate of 3.25% plus a 1% administration fee. Contractors are not required to take these loans, but they are available if needed. Once a contractor is awarded a rehabilitation contract, he or she may automatically be approved for the contractor's loan program.
6. 10% will be withheld from each partial payment, with only 1 partial payment being allowed. Lien waivers will be required on completed work. Line items need to be 100% completed, which includes lead clearance (if applicable) to receive payment. Partial payments are allowed for the completed work after passing necessary inspection(s). The partial or final payments due the rehabilitation contractor will be paid after the NRD's staff receives the contractor's invoice, inspection reports, and all required lien waivers. The homeowner **must** initial the items on a partial payment request. All requests for payments must be dated and approved by the NRD staff.
7. The homeowner must initial/sign the Payment Request saying that the work has been satisfactorily completed. It is the responsibility of the contractor to schedule the review of the work with the homeowner and the NRD staff. All requests for payments must be dated and approved by the NRD staff.
8. The contractor shall be required to obtain and maintain, for a period corresponding with the life of the contract, contractor's bodily injury and property damage insurance sufficient to cover both existing and completed operations and products (See General Requirements, page 8, item 2).

9. The contractor shall be required to abide by all applicable federal, state, and local regulations, including equal employment opportunity requirements including lead-based paint restrictions.
10. The contractor shall keep the premises reasonably clean and orderly during the course of work and remove all debris at the completion of the work. Once materials or equipment have been removed and replaced as a part of the work activities specified, such items shall be the property of the contractor.
11. The contractor shall guarantee the work performed for a period not less than 1 year from the date of final acceptance of all activities specified in the city's work write-up and explain maintenance information to the homeowner. Furthermore, the contractor shall furnish to the recipient property owner all manufacturer and suppliers' written guarantees and warranties covering materials and equipment furnished under the rehabilitation contract.
12. The contractor and homeowner shall provide the NRD staff or other municipal representatives with access to the property in question for the purpose of examining and inspecting the rehabilitation work performed under contract.
13. The recipient property owner will cooperate with the contractor to facilitate the performance of specified work activities, including the removal and replacement of rugs, coverings, furniture, etc. as necessary, and if applicable.
14. For consideration of specified payment, the contractor proposes to furnish all the materials and labor described in accordance with the work write-up, contract, and the general conditions specified earlier.
15. The contractor will be penalized \$50.00 per day after the construction completion date identified in the contract has expired if work is not complete unless approved change orders for time extensions are on file. The penalty will be subtracted from the final pay amount.

VI) BIDDING

On every rehabilitation project undertaken with the City of Decatur, the following procedures will be adhered to for the Invitation to Bid:

1. On behalf of the property owner, two or more contractors from the lists of prequalified and qualified contractors will be invited to bid on the rehabilitation work to be performed.
2. Only sealed bids will be accepted by the Economic and Community Development Department (ECD) from all interested contractors. Sealed bids are to be delivered

to the ECD Department (Civic Center, 3rd floor) on or before the identified bid deadline.

3. The contractor's bid must include line-item descriptions for both material and labor and include a total project cost.
4. Bid opening shall be held at the previously established appointed time, date, and location selection by the NRD staff in the invitation to bid and shall be open to all interested parties.
5. Prevailing wage is required for all Owner-Occupied Housing Rehabilitation Program projects. All contractors and subcontractors will be required to complete and provide program staff with an Affidavit of Prevailing Wage for each project.

BIDDING INSTRUCTIONS:

1. Prices must be given individually by work item number. In all cases where architectural specifications and drawings are required to obtain a building permit, copies of these documents must be included in the proposal submitted to the Housing Rehabilitation Specialist for review by the NRD staff. Whenever fixtures and equipment are relocated, a general floor plan indicating the new locations must be included if requested. **The contractor's bid must include line-item descriptions for both material and labor and include a total project cost.**
2. All properties are assumed to contain lead and will be managed using Remodeling, Repair and Painting (RRP) work safety standards.
3. It is the responsibility of the contractor and the homeowner to discuss and make the final color selections for the items being replaced such as paint, siding, shingles, etc.
4. Once construction has begun the contractor will receive payment according to one of the following schedules:
 - a) **Schedule A** - Full payment upon satisfactory completion of all work and submission of all subcontractor and contractor lien waivers.
 - b) **Schedule B** – Partial payment based upon the completed work. Lien waivers must be submitted by any contractor and/or subcontractor.
 - c) **Schedule C (Contractor Loan Program)** - The Owner-Occupied Housing Rehabilitation Program offers a **Contractor Loan Program** for those prequalified and qualified contractors who may not have the funds on hand to cover the cost of materials for these Owner-Occupied Housing Rehabilitation Program opportunities. If your bid proposal is accepted for a project, you will be able to apply for a low interest loan through Land of Lincoln Credit Union. This loan is for the amount of the bid plus a 1% administration fee. Upon approval of your loan,

you will be eligible to draw only the cost of the materials up front. Upon completion of the project, receipt of passing permit inspections, and confirmation from both the Housing Rehabilitation Specialist and the property owner that the work was completed satisfactorily, a letter will be provided to allow the draw of the balance of the loan amount. You are not required to take the full amount of the loan.

6. Upon receipt of the pay request by the Neighborhood Program Specialist, the Housing Rehabilitation Specialist will review the work completed. If the work has been satisfactorily completed and the homeowner has signed the Final Payment Request, a one-party check issued in the name of the construction company will be requested. The check will then be mailed to the construction company.

The following regulations apply to all bid openings:

1. The lowest responsive and responsible bid shall be accepted unless extenuating circumstances can be documented which justify action to the contrary.
2. The bidder selected shall be notified by NRD staff in writing within 7 calendar days of the bid opening.
3. All bidding contractors shall be notified in writing by the Neighborhood Program Specialist of the outcome of the bid opening within 10 calendar days of the bid opening.

Award of the rehabilitation contract will take place at the contract signing, which should be performed within 15 calendar days of the bid opening. Contractors will not be required by the city to honor their bids for more than 30 calendar days. Extenuating circumstances may force extensions of these periods.

Contract documents shall be prepared by the Neighborhood Program Specialist and executed by the City of Decatur and the rehabilitation contractor. Executed contracts shall be prepared in triplicate and distributed as follows:

1. Executed copy to the rehabilitation contractor selected.
2. Executed copy to the property owner.
3. Executed original for City of Decatur's program file.

VII) CONTRACTING POLICY

1. The City of Decatur shall, to the greatest extent feasible, utilize minority and female owned contractors and material suppliers on housing rehabilitation projects. The City of Decatur encourages contractors awarded a bid for housing rehabilitation to

use subcontractors who are located in Decatur, minority or female owned and/or who employ residents of Decatur.

2. The contractor shall take affirmative action to ensure that employees and applicants for employment are treated correctly without regard to race, color, religion, sex, national origin, age, or disability. These actions apply to employment, promotion, demotion, recruitment, termination, layoff, compensation and selection for training or apprenticeship programs.
3. No contract will be made to any business or organization in which an immediate family member of a person, in an administrative position, may benefit as identified by the federal, state, and or local government. No employee or elected official shall solicit or accept gratuities, favors or anything of value from potential contractors, subcontractors, or suppliers. These rules exist to avoid conflict of interest under this program.
4. Contracts will be awarded to contractors who submit the lowest responsible bid as set forth in the Contractor's Manual. Should a homeowner desire general improvements outside the scope of the bid specification, the homeowner will be personally responsible for the payment of the additional work. This work should be performed after the completion of the work identified in the bid specification.
5. The contractor, homeowner, Housing Rehabilitation Specialist (HRS) and the Neighborhood Program Specialist (NPS) shall be present at the pre-construction meeting. City staff will review the write-up and contract with both the contractor and homeowner present. Meeting notes will be taken for the file. At this time, the contractor should schedule with the homeowner a date to select or have selected colors, etc.

If you have any questions regarding program requirements, you should direct them to Jarek Shafer, Housing Rehabilitation Specialist, either by phone at 217-450-2346 or by e-mail at jshafer@decaturil.gov.



City of Decatur, IL
Neighborhood Revitalization Division
Economic and Community Development Department